Budgeting case study – 2

Student renting

Danny, 21, is in his third full-time year of a Bachelor of Environmental Science at Hawkesbury Campus. He moved from rural NSW to attend UWS, and is renting a unit at Quakers Hill with his girlfriend, who is also a student.

Danny is Aboriginal, and has a three year scholarship from the National Indigenous Cadetship Program. He receives $500 at the beginning of Autumn and Spring sessions, plus $267 per week living expenses. This year he has started doing some student tutoring through the Aboriginal Tutoring Assistance Scheme, and is paid $36/hour for four hours tutoring per week. He took out a loan of $6000 from Westpac to buy a second-hand car, but this money doesn’t have to be repaid until he graduates. His HECS-HELP loan is around $2500 per session.

Danny struggled financially in his first year of uni, and was overspending. When he had to move unexpectedly from one unit to another, he had trouble paying the bond and rent in advance, and got to the point where he had to get emergency food vouchers so he could afford to eat. He says he’s learnt a lot since then about attitudes to money and study, and thinks it’s important to know what you want long-term and focus on that.

Danny pays $120 per week towards the rent, and he and his girlfriend spend a maximum of $150 a month on food. They do their main shopping ($80-$100) at ALDI. They spend a maximum of $50 at Woolworths where they buy frozen vegetables, soy meals and some meat. They don’t buy any junk food or soft drink. Danny buys lunch at uni three times a week, and they eat out once every two months.

His tip for eating cheaply is tinned soup: a large tin of chunky soup plus lots of toast feeds two, and the entire meal costs about $4.

Danny and his girlfriend have furnished the unit with second-hand goods from family and friends, including a washing machine bought from his sister for $200. He buys clothes at second-hand shops or factory seconds stores, and sometimes finds bargains at Blacktown Drive-In markets.

At the beginning of his course, Danny bought a combined scanner, printer & photocopier for $180, which has saved him money. Cartridge World refills the toner cheaply. He also used savings at the beginning of his degree to buy a laptop from Bargain Seeker for $900, which he recently sold to a fellow student for $700. He has just bought a new laptop from Reboot Computers for $946.

Danny didn’t buy any textbooks this session, as he was able to manage by accessing the required texts in closed reserve in the library. In other sessions, textbook costs have varied from $80 to $300.

For entertainment, Danny says he and his girlfriend mostly stay at home and watch DVDs or play the Xbox. Occasionally they go to the pub to watch Saturday night football, where he’ll have one beer and put $5 through the poker machines. In summer they go to the beach. Danny doesn’t have a credit card, as he doesn’t want any more debts. He has a savings account with emergency funds of $300 that he tries not to touch, and tries to put money in the bank each week if any is left over before his next payday.